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THE WALL STREET JOURNAL.

Health Care: Web Links Give Drug Reps Foot In Doctors' Door

Wall Street Journal; New York; May 18, 1999; By Elyse Tanouye;

Edition: Eastern edition
Start Page: B1
ISSN: 00999660
Subject Terms: Web sites
Pharmaceutical industry
Physicians
Prescription drugs
Service introduction

Abstract:

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Yesterday, Syntec Inc., an Elmwood Park, N.J., company that is creating an electronic health-care network of doctors, health-care plans and others, agreed to pay about \$1.37 billion for Medical Manager Corp., which sells the software doctors use to manage their practices. About 120,000 physicians now use this software.

Merck-Medco is currently testing a doctor-connection system developed by AHT Corp. of Tarrytown, N.Y. With the patient's consent, a doctor using the system clicks on the patient's name on the computer screen, bringing up a list of drugs prescribed by all the patient's doctors. The doctor types in a medicine he is thinking of prescribing and enters the patient's diagnosis.

Full Text:

Copyright Dow Jones & Company Inc May 18, 1999

Here's an unsettling thought: A division of drug giant Merck & Co. may soon have access to your medical diagnosis and discuss with your doctor which drug to prescribe -- while you're still in the examining room.

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Merck-Medco is currently testing a doctor-connection system developed by AHT Corp. of Tarrytown, N.Y. With the patient's consent, a doctor using the system clicks on the patient's name on the computer screen, bringing up a list of drugs prescribed by all the patient's doctors. The doctor types in a medicine he is thinking of prescribing and enters the patient's diagnosis.

The computer then sends alerts about any potential adverse reactions between drugs the patient is taking and the latest one. If Merck-Medco thinks there's a better medicine on its preferred list, it will instantly send the doctor a message suggesting a change.

"It makes life easier," says Francisco Munoz, an internist in Elizabeth, N.J., who used the AHT system in a test. "It avoids phone calls from the pharmacy later saying the medication isn't covered or is on a three-tier co-pay . . . Anything that would expedite the process will be positive."

Ultimately, using the AHT system, physicians can submit prescriptions electronically to Merck-Medco and its mail-order pharmacy. Physicians can also print out a prescription for the patient to hand-carry to a retail pharmacy. Other systems that Medco is testing can send prescriptions electronically to retail pharmacies.

"What's attractive about this connectivity is, rather than talking with doctors after they have written the prescription and after the patient has left the office . . . we can try to get to him to help him make the decision at the time when the patient is right there," says Per G.H. Lofberg, Merck-Medco's president.

The rush to wire the doctor's office raises questions about patient privacy and conflict of interest. "There are extraordinary risks," warns Nancy Dickey, a family physician and president of the American Medical Association. She worries that companies will use the new systems to push their products over someone else's. Others believe Merck-Medco will use the new technology to push Merck products. Indeed, Merck's drug sales through Medco are substantially higher than when it bought the company in 1993.

Merck-Medco says many of its preferred drugs are generic and, in any event, the doctor has the ultimate say in which drug to prescribe.

Jon Edelson, head of AHT, says his program has the potential to shift market share. "The power is unprecedented in terms of what health-plan managers can tell doctors, and doctors are swayed by information," Dr. Edelson says. As for protecting patient privacy, Dr. Edelson says that electronic information can be more secure than paper records, which are accessible to many people in a hospital or doctor's office. Besides built-in security safeguards, electronic systems can track who sees any particular file, he says.

Synetic has already signed up a big consortium of health plans in the New York area that collectively cover seven million people. This summer, it will roll out the system to 40,000 doctors in the New York area, allowing them to electronically write prescriptions (alerting them to potential adverse drug interactions or patient allergies); order lab tests; get treatment and specialist referral authorization; and submit bills. The health plans will be able to use the system to prompt doctors to use certain treatment protocols for specific conditions.

Michael Stocker, president of Empire Blue Cross & Blue Shield, a member of the New York consortium, says doctors will be drawn to Synetic's system because it will help them get paid faster. Electronic billing could reduce payment time to a few days from the current three to six weeks it takes to process paper claims sent in by mail, he says. And the health plan saves 30% to 40% in administrative costs.

"The more we do electronically, the more efficiently we can provide those services," says Donna Lynne, chief operating officer of Group Health Inc., another consortium member. "The benefits accrue to people who buy health insurance."

The new systems face possible resistance from doctors who are already unhappy about being second-guessed by managed-care providers. What's more, doctors are notoriously resistant to business technology and often leave it to their office staff.

But Merck-Medco insists its pilot tests have been encouraging. Doctors who have used the technology like having access to data on what other medicines patients are taking, Mr. Lofberg says.

Merck-Medco is also using the Internet to reach out to patients directly with personalized messages. Its Web page,

in its initial form, offers just a few services, such as electronic prescription-refill orders. But as soon as programs to protect patient privacy are completed later this year, some patients will be able to receive personalized online messages from Merck-Medco reminding them that it's time to refill prescriptions, and about alternatives to drugs they're taking.

Eventually, Merck-Medco will develop tools to identify patients who are at high risk for certain diseases and guide them toward certain therapies. Such targeted messages have the potential to be far more effective -- and probably a lot cheaper -- than direct-to-consumer advertising.

That, too, concerns some doctors. "I really don't need the drug company urging the patient to run down and refill his sleeping pills or allergy medicine," says Dr. Dickey, the AMA president. "I would rather do it personally and use it as an opportunity to educate the patient about overusing pharmaceuticals."

Credit: Staff Reporter of The Wall Street Journal

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